

NOTICE OF PUBLIC HEARING

KAUAI ISLAND UTILITY COOPERATIVE
FOR APPROVAL OF RATE CHANGES AND INCREASES,
REVISED RATE SCHEDULES AND RULES, AND OTHER MATTERS

Docket No. 2022-0208

The STATE OF HAWAII PUBLIC UTILITIES COMMISSION ("Commission"), pursuant to Hawaii Revised Statutes §§ 269-12 and 269-16, HEREBY GIVES NOTICE that it will hold a public hearing relating to the Application of Kauai Island Utility Cooperative ("KIUC"), filed on December 28, 2022, for Commission approval of rate changes and increases, revised rate schedules, and changes to its tariff. The public hearing will be held as follows:

Tuesday, March 28, 2023, at 6:00 p.m.
King Kaumuali'i Elementary School Cafeteria
4380 Hanamaulu Road
Lihue, Hawaii 96766

KIUC is a not-for-profit electric cooperative engaged in the production, transmission, distribution, purchase, and sale of electric energy on the island of Kauai, Hawaii.

KIUC seeks Commission approval of an increase of \$16.7 million in its electric revenues, or approximately 9.42% over the pro forma total electric revenue amount of \$177.0 million at present rates, based on a 2023 test year. If approved, the proposed revenue increase will provide KIUC with a Debt Service Coverage (DSC) Ratio under its loan indenture for the 2023 test year of 1.75.

KIUC proposes to allocate the proposed revenue increase among its customer classes through rate changes and increases as summarized below:

<u>CUSTOMER CLASS</u>	<u>DESCRIPTION</u>	<u>PRESENT RATES</u>	<u>PROPOSED RATES</u>
<u>SCHEDULE "D" - Residential Service</u>			
Customer Charge	per customer per month	\$10.58	\$13.50
Energy Charge		<u>per kWh</u>	<u>per kWh</u>
Non-Fuel Energy Charge (Non-Fuel and Non-Purchased Power Energy Cost only)	per kWh (all kWh)	\$0.15600	\$0.21019
Fuel and Purchased Power Energy Charge	per kWh (all kWh)	\$0.19143	\$0.20188
Minimum Charge	per customer per month	\$13.50	\$13.50
<u>SCHEDULE "G" – General Light and Power Service</u>			
Customer Charge	per customer per month	\$23.82	\$25.00
Energy Charge		<u>per kWh</u>	<u>per kWh</u>
Non-Fuel Energy Charge (Non-Fuel and Non-Purchased Power Energy Cost only)	per kWh (all kWh)	\$0.16626	\$0.22599
Fuel and Purchased Power Energy Charge	per kWh (all kWh)	\$0.19143	\$0.20188
Minimum Charge	per customer per month	\$26.45	\$25.00
<u>SCHEDULE "J" – General Light and Power Service</u>			
Customer Charge	per customer per month	\$39.69	\$40.00
Demand Charge	per kW of monthly demand	\$6.62	\$8.28
Energy Charge		<u>per kWh</u>	<u>per kWh</u>
Non-Fuel Energy Charge (Non-Fuel and Non-Purchased Power Energy Cost only)	per kWh (all kWh)	\$0.13247	\$0.18456
Fuel and Purchased Power Energy Charge	per kWh (all kWh)	\$0.19143	\$0.20188

<u>CUSTOMER CLASS</u>	<u>DESCRIPTION</u>	<u>PRESENT RATES</u>	<u>PROPOSED RATES</u>
<u>SCHEDULE "L" - Large Power Primary Service*</u>			
Customer Charge	per customer per month	\$355.08	\$355.00
Demand Charge	per kW of monthly demand	\$13.94	\$14.90
Energy Charge			
Non-Fuel Energy Charge (Non-Fuel and Non-Purchased Power Energy Cost only)			
First	400 kWh per kW demand	<u>per kWh</u> \$0.11273	<u>per kWh</u> \$0.16549
All Over	400 kWh per kW demand	\$0.08998	\$0.16549
Fuel and Purchased Power Energy Charge	per kWh (all kWh)	\$0.19143	\$0.20188
<u>SCHEDULE "P" - Large Power Secondary Service*</u>			
Customer Charge	per customer per month	\$369.38	\$355.00
Demand Charge	per kW of monthly demand	\$11.14	\$14.90
Energy Charge			
Non-Fuel Energy Charge (Non-Fuel and Non-Purchased Power Energy Cost only)			
First	400 kWh per kW demand	<u>per kWh</u> \$0.12236	<u>per kWh</u> \$0.16549
All Over	400 kWh per kW demand	\$0.09834	\$0.16549
Fuel and Purchased Power Energy Charge	per kWh (all kWh)	\$0.19143	\$0.20188

<u>CUSTOMER CLASS</u>	<u>DESCRIPTION</u>	<u>PRESENT RATES</u>	<u>PROPOSED RATES</u>
<u>SCHEDULE "SL" – Street Lighting</u>			
Fixture Charge			
Standard incandescent fixtures ≤ 4,000 lumens	per fixture per month	\$3.63	\$4.54
Standard mercury vapor fixtures ≤ 21,000 lumens	per fixture per month	\$6.25	\$7.81
Standard high pressure sodium vapor fixtures ≤ 100 watt	per fixture per month	\$6.25	\$7.81
101-150 watt	per fixture per month	\$6.25	\$7.81
151-200 watt	per fixture per month	\$6.47	\$8.09
201-250 watt	per fixture per month	\$6.47	\$8.09
251-400 watt	per fixture per month	\$6.75	\$8.44
Standard light emitting diode (LED) fixtures ≤ 45 watt	per fixture per month	\$8.18	\$10.23
46-98 watt	per fixture per month	\$8.48	\$10.60
99-130 watt	per fixture per month	\$8.57	\$10.71
Energy Charge		<u>per kWh</u>	<u>per kWh</u>
Non-Fuel Energy Charge (Non-Fuel and Non-Purchased Power Energy Cost only)	per kWh (all kWh)	\$0.22387	\$0.31166
Fuel and Purchased Power Energy Charge	per kWh (all kWh)	\$0.19143	\$0.20188

*Note: KIUC proposes to combine Schedules "L" and "P" into a new Schedule "LP."

As part of its Application, KIUC also requests, among other things, that the Commission: (1) approve changes to its existing tariff (KIUC Tariff No. 1) to effectuate its proposed rate changes and increases, as well as changes to its depreciation rates and to its existing Energy Rate Adjustment Clause mechanism; (2) approve the recovery over

a 10-year amortization period of the balance of the lost gross margins regulatory asset established by Decision and Order No. 37252, filed on July 31, 2020, in Docket No. 2020-0088; (3) approve the recovery over a 10-year amortization period of the balance of the regulatory asset resulting from the pension tracking mechanism established by the Decision and Order, filed on September 9, 2010, in Docket No. 2009-0050; and (4) grant such other relief, including any interim rate increase, as may be applicable, required, just, and/or reasonable under the circumstances and/or in order for KIUC to implement its proposed revenue and rate increases.


The Commission will investigate whether the proposals in the Application, including revisions to KIUC's rate schedules, are just and reasonable.

The foregoing is a brief summary of the requests included in KIUC's Application. Copies of KIUC's Application are available for public review through the Commission's electronic Document Management System, accessible at <http://dms.puc.hawaii.gov/dms/>, Docket Quick Link 2022-0208. In addition, copies of KIUC's Application are also available for review by contacting the Commission's Kauai District Office [(808) 274-3232] or Honolulu Office [(808) 586-2020], or the Division of Consumer Advocacy [(808) 586-2800].

All interested persons are invited to attend the public hearing to state their views on KIUC's Application. Written statements may also be mailed to the Public Utilities Commission, 465 South King Street, Room No. 103, Honolulu, Hawaii 96813, or e-mailed to puc.comments@hawaii.gov. All written statements should reference

Docket No. 2022-0208 and include the author's name and the entity or organization that the author represents, if any.

Motions to Intervene or Participate in this proceeding shall comply with subchapter 4, Rules of Practice and Procedure Before the Public Utilities Commission, Hawaii Administrative Rules, Title 16, Chapter 601. A motion to intervene or participate in this proceeding shall be filed with the Commission's Honolulu Office by April 10, 2023.



Leodoloff R. Asuncion, Jr.
Chair

The Garden Island: March 7, 14, 21, and 27, 2023

FILED

2023 Mar 06 AM 09:21

PUBLIC UTILITIES
COMMISSION

The foregoing document was electronically filed with the State of Hawaii Public Utilities Commission's Document Management System (DMS).